

**AGENDA**  
**FREMONT PUBLIC FINANCING AUTHORITY MEETING**  
**JANUARY 25, 2011**  
**7:00 P.M.**

**1. CALL TO ORDER**

**2. CONSENT CALENDAR**

*Items on the Consent Calendar are considered to be routine by the Public Financing Authority and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Authority Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Public Financing Authority" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)*

2.1 *Approval of Minutes – None.*

**3. PUBLIC COMMUNICATIONS**

3.1 Oral and Written Communications

**4. PUBLIC HEARINGS – None.**

**5. OTHER BUSINESS**

**5.1 PROPOSED PURCHASE AND SALE OF TAX ALLOCATION BONDS**

Consideration of Resolution Authorizing the Purchase and Sale of Tax Allocation Bonds of the Redevelopment Agency of the City of Fremont

Contact Person:

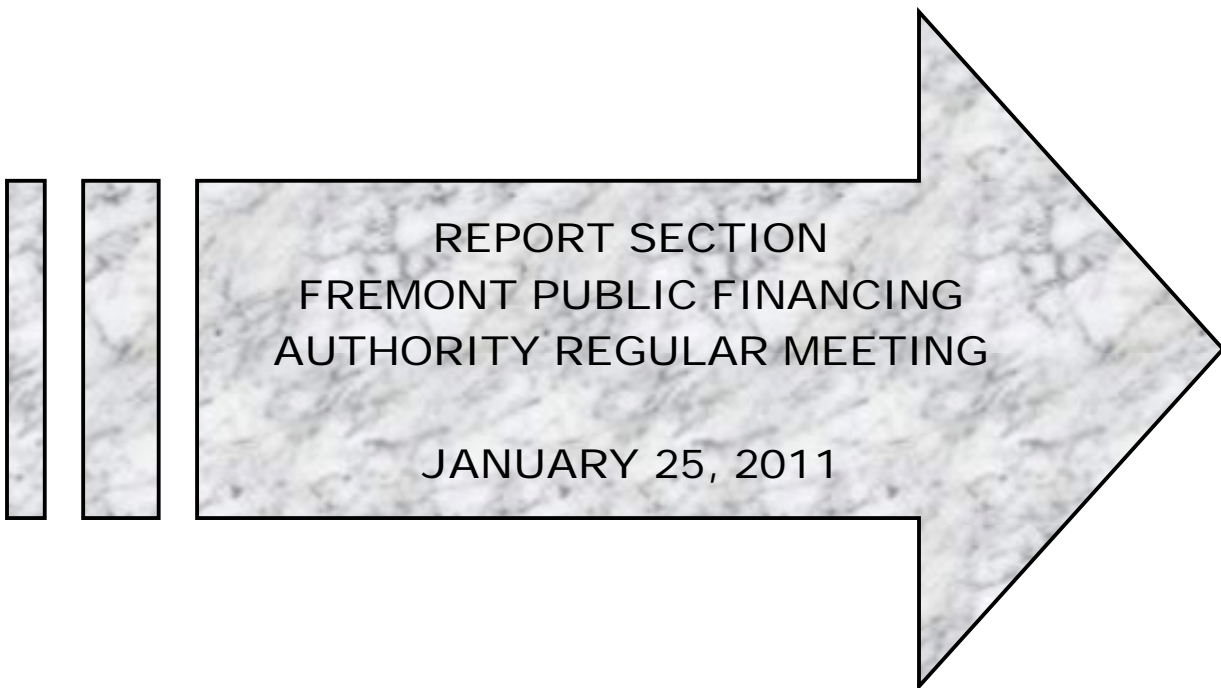
Name: Harriet Commons  
Title: Director  
Dept.: Finance  
Phone: 510-284-4010  
E-Mail: hcommons@fremont.gov

**RECOMMENDATION:**

1. Adopt a resolution authorizing the purchase and sale of tax allocation bonds of the Redevelopment Agency of the City of Fremont issued to finance redevelopment activities within or for the benefit of the Agency's Fremont merged redevelopment project and approving related documents and actions.

2. Approve a bond purchase agreement relating to the 2011 Bonds, by and among the underwriter, the Authority and the Agency, in the form on file with the Authority Secretary (the "Bond Purchase Agreement"), together with such additions thereto and changes therein as the Executive Director, or his designee, shall deem necessary, desirable or appropriate.
3. Authorize and direct the Executive Director, or his designee, to execute the final form of the Bond Purchase Agreement for and in the name and on behalf of the Authority.
4. Authorize and direct the Executive Director and any and all other officers of the Authority, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the 2011 Bonds.

## **6. ADJOURNMENT**





## 5.1 PROPOSED PURCHASE AND SALE OF TAX ALLOCATION BONDS

### Consideration of Resolution Authorizing the Purchase and Sale of Tax Allocation Bonds of the Redevelopment Agency of the City of Fremont

#### Contact Person:

Name: Harriet Commons  
Title: Director  
Dept.: Finance  
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**Executive Summary:** On January 17, 2011, the Redevelopment Agency Board and the City Council authorized the issuance of up to \$140 million in tax allocation bonds (the “2011 Bonds”) by the Redevelopment Agency to finance redevelopment activities in or of benefit to the Merged Redevelopment Project (the “2011 Projects”). The Board and Council further authorized the sale of bonds to be done on either a competitive or a negotiated basis, depending on circumstances at the time of issuance. If the Agency elects to sell the 2011 Bonds on a negotiated basis, the participation of the Fremont Public Financing Authority is required to purchase the Bonds and concurrently resell the Bonds to an underwriter. The actual decision about competitive versus negotiated sale will be made closer to the time of debt issuance and after the rating process is completed by Standard & Poor’s.

**BACKGROUND:** On January 17, 2011, the Redevelopment Agency Board and the City Council authorized the issuance of up to \$140 million in tax allocation bonds (the “2011 Bonds”) by the Redevelopment Agency to finance redevelopment activities in or of benefit to the Merged Redevelopment Project (the “2011 Projects”). The bonds will be secured by a pledge of and lien on property tax increment allocated to the Agency for the Merged Redevelopment Project. The Board and Council further authorized the sale of bonds to be done on either a competitive or a negotiated basis, depending on circumstances at the time of issuance.

**DISCUSSION/ANALYSIS:** The Agency, on January 17, 2011, authorized both the competitive and the negotiated sale of the 2011 Bonds. If the Agency elects to sell the 2011 Bonds on a negotiated basis, the participation of the Fremont Public Financing Authority is required. The Authority would purchase the 2011 Bonds from the Agency and concurrently resell the Bonds to an underwriter selected by the Agency, so long as the total underwriter’s discount, excluding original issue discount (which does not constitute compensation to the underwriter), does not exceed 3% of the principal amount of the 2011 Bonds. In addition, the true interest cost of the Bonds could not exceed 7.5%, and the final maturity date could not be later than September 1, 2043.

The decision about the type of sale (competitive versus negotiated) will be made closer to the time of issuance and after the Bonds have been rated by Standard & Poor’s. Having approval of this mechanism for a negotiated sale in place will ensure that the sale can proceed in a timely manner.

**FISCAL IMPACT:** There is no direct fiscal impact of this action. The intent is to sell the Bonds in a timely manner and at a rate that’s as reasonable as possible in the circumstances. If market conditions

become unfavorable or the State takes actions that block the completion of this transaction, it will not proceed and the Bonds will not be sold.

**ENVIRONMENTAL REVIEW:** Not applicable.

**ENCLOSURE:** [Draft resolution](#)

**RECOMMENDATION:**

1. Adopt a resolution authorizing the purchase and sale of tax allocation bonds of the Redevelopment Agency of the City of Fremont issued to finance redevelopment activities within or for the benefit of the Agency's Fremont merged redevelopment project and approving related documents and actions.
2. Approve a bond purchase agreement relating to the 2011 Bonds, by and among the underwriter, the Authority and the Agency, in the form on file with the Authority Secretary (the "Bond Purchase Agreement"), together with such additions thereto and changes therein as the Executive Director, or his designee, shall deem necessary, desirable or appropriate.
3. Authorize and direct the Executive Director, or his designee, to execute the final form of the Bond Purchase Agreement for and in the name and on behalf of the Authority.
4. Authorize and direct the Executive Director and any and all other officers of the Authority, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the 2011 Bonds.